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MEMORANDUM FOR THE RECORD

OS REGISTRY

FROM: [REDACTED]

AC/PPB

8-0807X

SUBJECT: Proposed Swindall Amendment to HR 1777

1. On 25 May 1988, [REDACTED] from OCA called to advise OS that Rep. Swindall (Rep/Ga) was reintroducing an amendment to the HPSCI Authorization Committee imposing travel restrictions on local embassy personnel. This bill was being placed in open debate as a proposed attachment to the State Authorization Bill (H.R. 1777)

2. Rep. Swindall and Sen. Roth had introduced similar amendments last November during debate on the H.R. 1777. At the time, DCI Webster sent a letter to Roth favoring travel restrictions, although the DO had recommended otherwise. State Department had already gone on record as strongly opposed to the requirement.

3. The Bill which passed last winter imposed travel restrictions but included a provision for waivers by the Secretary of State after consultation with the DCI and D/FBI. Swindall regards the waiver provision as limiting the Bill's effectiveness since he does not believe State will enforce restrictions. The new amendment shifts responsibility for restricting travel from the Secretary of State to the Secretary of Defense, in consultation with the DCI and S/State, on the grounds that this travel may contribute to the capability of a foreign government to intercept signal intelligence. DOD, through NSA, would determine which areas of the country are vulnerable to exploitation.

4. I spoke with [REDACTED] later in the day (the debate had been moved up from the 26 to the present afternoon) and advised him that OS was concerned about the potential reciprocity issue for our people serving overseas as well as the potential impact on the INF Treaty verification process, but deferred to the DO on the first issue and DOD on the latter. John advised that the DO was very concerned about the Bill and that he was working with them to put together an Agency response.

5. On 26 May 1988, [REDACTED] called and advised the Swindall Bill was killed. HPSCI argued that the bill raised State Department rather than Intelligence issues and therefore, could not be justified by the Committee. Swindall is still trying to find another mechanism to introduce the bill. John [REDACTED] will advise OS if he is successful.

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documentation with reference to a subsec-
tion referred to in subsection (a) and any
dissenting views thereon shall be available
in an appropriately classified form, to the
Chairman of the Committee on Foreign Af-
fairs of the House of Representatives and
the Chairman of the Committee on Foreign
Relations of the Senate.

(c) **DIRECTOR OF CENTRAL INTELLIGENCE.**—
The Director of Central Intelligence shall
provide to the Secretary of State such assis-
tance with respect to the implementation of
this section as the Secretary of State may re-
quest.

(d) **DISSENTING VIEWS.**—If the Director of
Central Intelligence disagrees with the Sec-
retary of State with respect to any project
certification made pursuant to subsection
(a), the Director shall submit in writing dis-
senting views to the Secretary of State.

SEC. 161. PROTECTION FROM FUTURE HOSTILE IN- TELLIGENCE ACTIVITIES IN THE UNITED STATES

Section 205 of the State Department Basic
Authorities Act of 1956 (22 U.S.C. 4305) is
amended by adding at the end the following:

"(d)(1) After the date of enactment of this
subsection, real property in the United
States may not be acquired (by sale, lease, or
other means) by or on behalf of the foreign
mission of a foreign country described in
paragraph (4) if, in the judgment of the Sec-
retary of Defense (after consultation with
the Secretary of State), the acquisition of
that property might substantially improve
the capability of that country to intercept
communications involving United States
Government diplomatic, military, or intelli-
gence matters.

"(2) After the date of enactment of this
subsection, real property in the United
States may not be acquired (by sale, lease, or
other means) by or on behalf of the foreign
mission of a foreign country described in
paragraph (4) if, in the judgment of the Di-
rector of the Federal Bureau of Investigation
(after consultation with the Secretary
of State), the acquisition of that property
might substantially improve the capability
of that country to engage in intelligence ac-
tivities directed against the United States
Government, other than the intelligence ac-
tivities described in paragraph (1).

"(3) The Secretary of State shall inform
the Secretary of Defense and the Director of
the Federal Bureau of Investigation immedi-
ately upon notice being given pursuant to
subsection (a) of this section of a proposed
acquisition of real property by or on behalf
of the foreign mission of a foreign country
described in paragraph (4).

"(4) For the purposes of this subsection,
the term 'foreign country' means—

"(A) any country listed as a Communist
country in section 620(f) of the Foreign As-
sistance Act of 1961;

"(B) any country determined by the Sec-
retary of State, for purposes of section 6(j) of
the Export Administration Act of 1979, to be
a country which has repeatedly provided
support for acts of international terrorism;
and

"(C) any other country which engages in
intelligence activities in the United States
which are adverse to the national security
interests of the United States.

"(5) As used in this section, the term 'sub-
stantially improve' shall not be construed to
prevent the establishment of a foreign mis-
sion by a country which, on the date of en-
actment of this section—

"(A) does not have a mission in the United
States; or

"(B) with respect to a city in the United
States, did not maintain a mission in that
city."

(1) **AMENDMENT TO FOREIGN MISSIONS ACT.**—
Title II of the State Department Basic Au-
thorities Act of 1956 (22 U.S.C. 4301 et seq.)
as amended by section 128 is further amend-
ed by adding at the end the following new
section:

"SEC. 216. APPLICATION OF TRAVEL RESTRICTIONS TO PERSONNEL OF CERTAIN COUN- TRIES AND ORGANIZATIONS.

"(a) **REQUIREMENT FOR RESTRICTIONS.**—The
Secretary shall apply the same generally ap-
plicable restrictions to the travel while in
the United States of the individuals de-
scribed in subsection (b) as are applied
under this title to the members of the mis-
sions of the Soviet Union in the United
States.

"(b) **INDIVIDUALS SUBJECT TO RESTRICTI-
ONS.**—The restrictions required by subsec-
tion (a) shall be applied with respect to
those individuals who (as determined by the
Secretary) are—

"(1) the personnel of an international or-
ganization, if the individual is a national of
any foreign country whose government en-
gages in intelligence activities in the United
States that are harmful to the national secu-
rity of the United States;

"(2) the personnel of a mission to an in-
ternational organization, if that mission is the
mission of a foreign government that en-
gages in intelligence activities in the United
States that are harmful to the national secu-
rity of the United States; or

"(3) the family members or dependents of
an individual described in paragraphs (1)
and (2); and who are not nationals or permanent
resident aliens of the United States.

"(c) **WAIVERS.**—The Secretary, after consul-
tation with the Director of Central Intelli-
gence and the Director of the Federal
Bureau of Investigation, may waive appli-
cation of the restrictions required by subsec-
tion (a) if the Secretary determines that the
national security and foreign policy inter-
ests of the United States so require.

"(d) **REPORTS.**—The Secretary shall trans-
mit to the Select Committee on Intelligence
and the Committee on Foreign Relations of
the Senate, and to the Permanent Select
Committee on Intelligence and the Commit-
tee on Foreign Affairs of the House of Repre-
sentatives, not later than six months after
the date of enactment of this section and not
later than every six months thereafter, a
report on the actions taken by the Secretary
in carrying out this section during the pre-
vious six months.

"(e) **DEFINITIONS.**—For purposes of this sec-
tion—

"(1) the term 'generally applicable restric-
tions' means any limitations on the radius
within which unrestricted travel is per-
mitted and obtaining travel services through
the auspices of the Office of Foreign Mis-
sions for travel elsewhere, and does not in-
clude any restrictions which unconditionally
prohibit the members of missions of the
Soviet Union in the United States from trav-
eling to designated areas of the United
States and which are applied as a result of
particular factors in relations between the
United States and the Soviet Union.

"(2) the term 'international organization'
means an organization described in section
209(b)(1); and

"(3) the term 'personnel' includes—
"(A) officers, employees, and any other
staff member; and

"(B) any individual who is retained under
contract or other arrangement to serve func-
tions similar to those of an officer, employ-
ee, or other staff member."

(b) **EFFECTIVE DATE.**—Subsection (a) of the
section enacted by this section shall take

SEC. 163. COUNTERINTELLIGENCE, POLYGRAPH SCREENING OF DIPLOMATIC SECURITY SERVICE PERSONNEL.

(a) **IMPLEMENTATION OF PROGRAM.**—Under
the regulations issued pursuant to subsec-
tion (b), the Secretary of State shall imple-
ment a program of counterintelligence poly-
graph examinations for members of the Dip-
lomatic Security Service established pursu-
ant to title II of the Diplomatic Security
Act) during fiscal years 1988 and 1989.

(b) **REGULATIONS.**—The Secretary of State
shall issue regulations to govern the pro-
gram required by subsection (a). Such regu-
lations shall provide that the scope of the ex-
aminations under such program, the con-
duct of such examinations, and the rights of
individuals subject to such examinations
shall be the same as those under the counter-
intelligence polygraph program conducted
pursuant to section 1221 of the Department
of Defense Authorization Act, 1986 (Public
Law 99-145).

SEC. 164. UNITED STATES EMBASSY IN HUNGARY.

(a) **FINDINGS.**—The Congress finds that—

(1) the full implementation of the security
program of a United States diplomatic mis-
sion to a Communist country cannot be ac-
complished if employees of that mission, who
are citizens of the host country are present
in the same facilities where diplomatic and
consular activities of a sensitive nature are
performed;

(2) the facilities currently housing the of-
fices of the United States diplomatic mis-
sion to Hungary are totally inadequate for
the proper conduct of United States diplo-
matic activities, and unnecessarily expose
United States personnel and their activities
to the scrutiny of the intelligence services of
the Government of Hungary;

(3) the presence of local citizens in a facil-
ity where sensitive activities are performed,
as well as their access to certain unclassi-
fied administrative information, greatly en-
hances the ability of the host government's
intelligence services to restrict our diplo-
matic activities in that country;

(4) since the United States Government
owns a substantial amount of property in
Budapest, it is in a unique position to build
new facilities which will substantially en-
hance the security of the United States dip-
lomatic mission to Hungary; and

(5) units such as the Navy Construction
Battalion are uniquely qualified to con-
struct such facilities in an eastern bloc
country.

(b) **STATEMENT OF POLICY.**—It is the sense of
the Congress that—

(1) the Department of State should proceed
in a timely fashion to negotiate an agree-
ment with the Government of Hungary to
allow for the construction of new chancery
facilities in Budapest which would totally
segregate sensitive activities from those of
an unclassified and public-oriented charac-
ter; and

(2) any such agreement should ensure that
the United States Government will have the
right to employ only American construction
personnel and materials and will have com-
plete control over access to the chancery site
from the inception of construction.

Part D—Personnel Matters

SEC. 171. COMMISSION TO STUDY FOREIGN SERVICE PERSONNEL SYSTEM.

In consultation with the Committee on
Foreign Relations of the Senate, the Com-
mittee on Foreign Affairs and the Commit-
tee on Post Office and Civil Service of the
House of Representatives, and the exclusive
representatives (as defined in section
1002(9) of the Foreign Service Act of 1980),